

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

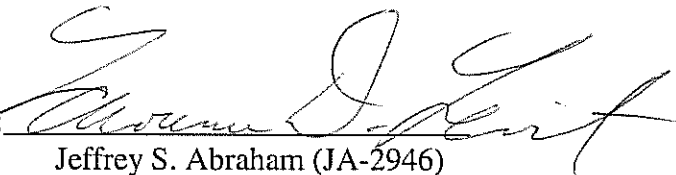
_____	X
IN RE ESCALA GROUP, INC.	:
DERIVATIVE LITIGATION	:
	:
	:
	:
	: Lead Civil Action No. 1:06-cv-03902-AKH
_____	:
	: ECF Document
This Document Relates To:	:
	:
ALL ACTIONS	: (Derivative Action)
	:
_____	X

NOTICE OF SETTLEMENT

PLEASE TAKE NOTICE that the parties have entered into a Stipulation of Settlement in the above-captioned action, a copy of which is attached hereto as Exhibit 1.

Dated: September 18, 2008

ABRAHAM FRUCHTER & TWERSKY LLP

By: 

Jeffrey S. Abraham (JA-2946)
Jack G. Fruchter (JF-8435)
Lawrence D. Levit (LL-9507)
One Penn Plaza, Suite 2805
New York, NY 10119
Telephone: (212) 279-5050
Facsimile: (212) 279-3655

Plaintiffs' Lead Counsel

THE LAW OFFICES OF THOMAS G. AMON
Thomas G. Amon (TGA-1515)
500 Fifth Avenue; Suite 1650
New York, NY 10110
Telephone: (212) 810-2430
Facsimile: (212) 810-2427

ROBBINS UMEDA & FINK, LLP

Brian J. Robbins

Marc M. Umeda

Shane P. Sanders

610 West Ash Street, Suite 1800

San Diego, CA 92101

Telephone: (619) 525-3990

Facsimile: (619) 525-3991

Attorneys for Plaintiffs